



Nomination And Remuneration Committee Regulations

Leejam Sports Company

Public Joint-Stock Company

Caution:

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- This document shall be updated within a timeframe not exceeding thirty-six (36) months from the effective date.

Approvals

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<p>Pursuant to the Minutes of the Board Meeting held on 13 March 2024.</p>			
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Article (1): Definitions

The following terms and phrases shall have the meanings assigned thereto unless the context requires otherwise:

Companies Regulations The Companies Law issued by Royal Decree No. M/132 dated 1/12/1443H and any amendments thereto.

Governance Regulations: The Corporate Governance Regulations issued by the Capital Market Authority Board Resolution No. 8-5-2022 dated 18/01/2023H corresponding to 25/06/1444H and any amendments thereto.

Authority: The Saudi Capital Market Authority.

Company: Leejam Sports Company

General Assembly: The General Assembly of Leejam Sports Company.

Board/Board of Directors: The Board of Directors of Leejam Sports Company.

Board Member: A Board Member of Leejam Sports Company.

Executive Member: A member who works full time to manage the company and engages in its daily affairs.

Non-Executive Member: A board member who does not work full-time to manage the company, nor engage in its daily affairs.

Independent Member: A non-executive board member who is fully independent in his/her position and decisions and not having any independence conflicts stipulated in Article (19) of the Governance Regulations.

Committee: The Nomination and Remuneration Committee.

Regulations: The Nomination and Remuneration Committee Work Regulations.

Chairman: Chairman of the Nomination and Remuneration Committee.

Member: A member of the Nomination and Remuneration Committee.

Secretary: Secretary of the Nomination and Remuneration Committee.

Modern Technology Means: Any means of communication that allows exchange of views and discussion between members, including telephone calls, audiovisual communication.

Resolution by Circulation: Issuance of a decision by the Board without holding a meeting - for approval in writing by presenting it to the members, individually,.

Article (2): Purpose of the Regulations:

These Regulations aim to regulate the work of the Nomination and Remuneration Committee by defining its tasks, work controls, authorities, member selection rules, nomination methods, membership duration, remuneration, mechanism for interim appointment of Committee members in case a Committee seat becomes vacant, pursuant to the Law, the Company Bylaws, the Corporate Governance Regulations issued by the Capital Market Authority, other related regulations and bylaws, and sound governance principles and practices.

Article (3): Committee Formation:

3.1 First: Committee Formation

- 3.1.1 The Committee shall be formed by a resolution of the Company's Board of Directors, consisting of at least three and not more than five members from among the non-Executive Board Members, provided it includes at least one Independent Member, and the Committee composition meets the stipulations and rules in these Regulations.
- 3.1.2 The Committee shall appoint one of its members as Chairman ("Chairman"), provided he is one of the Independent Board Members. If the Chairman of the Board is a member of the Committee, he may not be appointed as its Chairman. The Chairman shall chair the Committee meetings and shall attend—or appoint a member to attend on his behalf—all General Assembly meetings to answer shareholders'

questions. The Chairman tenure shall not exceed his/her membership term on the Committee.

- 3.1.3 The Committee shall appoint one of its members or others as Secretary ("Secretary"). The Secretary shall attend all Committee meetings, prepare its meeting minutes, and document its resolutions. The Committee shall determine the appointment duration of the Secretary, and if the Secretary is a member on the Committee, his appointment duration shall be his membership term on the Committee. The Committee may also dismiss him at any time.

3.2 **Second: Member Selection Rules**

- 3.2.1 The Nomination and Remuneration Committee must include at least one Independent Member.
- 3.2.2 Committee members shall be adequately qualified for the nature of tasks that fall under the Committee's specialty.
- 3.2.3 They shall have the appropriate expertise and knowledge for the nature of tasks that fall under the Committee's specialty.
- 3.2.4 They shall fulfill all qualification and eligibility requirements set out in the relevant regulations, and remain so throughout the membership term.
- 3.2.5 No judgment shall have been issued against the nominee for committing an act in breach of honor or trust or in violation of the systems and regulations in Saudi Arabia or any other country.

3.3 **Third: Membership Duration, Termination, and Vacant Position Procedures**

- 3.3.1 The membership term shall not exceed the Board term, and the Board of Directors may dismiss all or some members at any time. If the membership of any member ends for any reason before the end of their term, the Board shall appoint another member for the vacant position who shall complete the previous member's term.
- 3.3.2 Committee membership shall expire in the following cases:
- 3.3.2.1 Member passing away.
- 3.3.2.2 Member becoming medically unable to perform their Committee duties.

- 3.3.2.3 Member losing one of the membership requirements stipulated in approved regulations and policies.
- 3.3.2.4 Expiry of Board term.
- 3.3.2.5 Member resignation from the Committee without prejudice to the Company's right for compensation if the resignation occurs at an improper time.
- 3.3.2.6 Member losing any Committee membership requirement referred to in these Regulations or approved policies.
- 3.3.2.7 The Board of Directors may – based on a Committee recommendation – terminate the membership of any member absent without legitimate excuse accepted by the Committee from attending three consecutive meetings or five separate meetings during their membership term.
- 3.3.2.8 Issuance of a Board resolution dismissing the member for any reason deemed appropriate by the Board.
- 3.3.3 The Company shall notify the Capital Market Authority of the name of each member, their position, independence status, and membership capacity within five business days of their appointment or dismissal, and any changes thereto within five business days of the change occurring.

Article (4) Competencies of the Committee:

Committee Specializations and Tasks

4.1 First: Nominations

- 4.1.1 Proposing clear nomination and appointment policies and criteria regarding Board Members, Sub-Committees and executive management members, proposing them to the Board of Directors and overseeing their implementation.
- 4.1.2 Interviewing all Board member nominees, making necessary and appropriate inquiries about them, reviewing their qualifications before providing a nomination recommendation to the Board of Directors.
- 4.1.3 Recommending to the Board of Directors nomination and renomination of Board Members pursuant to applicable regulations, bylaws, policies

and criteria, ensuring no one is nominated who lacks requirements stipulated in relevant regulations.

- 4.1.4 Preparing a job description for required capabilities for Board membership and executive management positions.
- 4.1.5 Specifying the time a member needs to allocate for Board tasks.
- 4.1.6 Annually reviewing required skills or appropriate expertise for Board membership and executive management positions.
- 4.1.7 Preparing job descriptions for executive members, non-executive members, independent members and senior executives.
- 4.1.8 Annually verifying the independence of Independent Board Members pursuant to applicable regulations, bylaws and rules, and absence of any conflict of interest if the member holds board membership of another company.
- 4.1.9 Periodically reviewing succession plans for Board Members and senior executives and making recommendations to the Board of Directors in this regard, taking into account the challenges and opportunities facing the Company alongside required capabilities, skills and appropriate expertise for Board membership and executive management positions
- 4.1.10 Evaluating potential candidates for executive management positions in the Company and making recommendations to the Board of Directors about them, especially assisting the Board of Directors in selecting, developing and evaluating potential candidates for the CEO position.
- 4.1.11 Developing special procedures in case of vacancy in the position of a Board Member or executive management member, periodically reviewing them, and making recommendations to the Board of Directors regarding selecting and approving candidates to fill those positions.

4.2 Second: Review and Evaluation

- 4.2.1 Periodically reviewing the structure, size, composition, strengths and weaknesses (including skills, knowledge and expertise) of the Company's Board of Directors and executive management, and making recommendations and proposing appropriate solutions to the Board of Directors in line with the Company's interests.

- 4.2.2 Developing an orientation program for new Board Members, and an ongoing education program for current Board Members, overseeing these programs, reviewing them and updating them periodically as needed.
- 4.2.3 Developing an annual self-assessment process for some Board Members and senior company executives, making recommendations to the Board of Directors in this regard, and overseeing this process.

4.3 **Third: Remuneration:**

- 4.3.1 Developing a clear policy for the remuneration of Board Members, Board Sub-Committees and executive management of the Company, elevating it to the Board of Directors ahead of adoption by the General Assembly, disclosing it, and overseeing and verifying its implementation.
- 4.3.2 Preparing an annual report on remuneration and other payments (cash or in-kind) granted to Board Members, Board Sub-Committees and executive management, clarifying the relationship between granted remuneration and the remuneration policy (including a statement of any substantive deviation from this policy), for presentation to the Board of Directors for consideration.
- 4.3.3 Periodically reviewing the remuneration policy, evaluating its suitability and effectiveness in achieving its intended objectives, and making recommendations to the Board of Directors in this regard.
- 4.3.4 Recommending to the Board of Directors the remuneration of Board Members, Board Sub-Committees and executive management (including nature and amount of remuneration) pursuant to the approved remuneration policy.
- 4.3.5 Reviewing the Company's incentive plans for Board Members and employees and making recommendations to the Board of Directors regarding them, including with respect to adopting, amending and terminating these plans.
- 4.3.6 Preparing required disclosures pursuant to Company policies and any systems, regulations or rules the Company is subject to, including at a minimum, disclosures related to the remuneration policy and annual

remuneration report, and remuneration disclosures in the Board of Directors annual report.

4.4 **Fourth: Corporate Governance**

- 4.4.1 Overseeing, reviewing and making recommendations to the Board of Directors regarding corporate governance regulations, policies, rules, practices and procedures of the Company, including identifying best practices and proposing any amendments to the Board of Directors, including the Company Bylaws and Internal Governance Regulations, at least annually.
- 4.4.2 Monitoring and verifying the Company's compliance with its Internal Governance Regulations and internal governance policies, and applicable governance requirements pursuant to relevant regulations, bylaws and rules.
- 4.4.3 Developing and reviewing the professional conduct rules representing the Company's values, and other internal policies and procedures to meet the Company's needs and comply with regulatory requirements and best practices, and making recommendations to the Board of Directors in this regard.
- 4.4.4 Regularly informing Board Members of substantive changes in applicable governance requirements and developments in corporate governance and best practices.

4.5 **Fifth: Other Tasks**

- 4.5.1 Carrying out other relevant tasks at the Board of Directors' request.

Article (5): Conflict Between Nomination and Remuneration Committee and Board of Directors

The Committee shall exercise its role cautiously taking into account the division of responsibilities and specializations between it and the Board of Directors and Company management. If there is a conflict between the Committee's recommendations and Board decisions, the Board of Directors' report shall include a summary of the relevant Committee

recommendations and justifications and reasons for the Board not adopting them.

Article (6) Powers of the Committee:

The Committee shall have the necessary powers to perform its specializations and tasks, in particular:

- 6.1 The right to access Company records and documents necessary for the Committee to perform its tasks and responsibilities without restriction.
- 6.2 The right to meet with Company management and employees (including Board Members and executive officers) and request any clarification or statement from them, and they must fully cooperate with the Committee and respond as soon as possible and comprehensively to any questions raised by the Committee.
- 6.3 The right to form a working group of one or more members to serve any purpose it deems appropriate and fulfilling its objectives, and it may grant any of its powers and authorities to the working group emanating from it whenever it deems suitable.
- 6.4 The right to appoint and seek assistance from whoever it deems suitable of external consultants or other specialists and experts to provide advice to the Committee or assist it when required, and the right to terminate contracting with them (provided the relevant Committee meeting minutes document such appointment, stating the name of the appointed person and any relationship with the Company or executive management).
- 6.5 The right to take any other actions the Committee reasonably deems necessary to duly perform its specializations and tasks and fulfill its responsibilities under these Regulations.

Article (7) Powers of the Chairman and Secretary:

7.1 First: : Duties of the Committee Chairman

The Committee Chairman shall undertake the following tasks:

- 7.1.1 Calling the Committee to convene through approved means including modern technology, specifying the time, date and location of the meeting, after coordinating with Committee members.

- 7.1.2 Managing Committee meetings and promoting their effectiveness.
- 7.1.3 Preparing the meeting agenda taking into account matters any Committee member wishes to include.
- 7.1.4 Ensuring adequate time to discuss agenda items of Committee meetings.
- 7.1.5 Promoting effective participation of members in Committee meetings by studying agenda items and discussing them, and expressing their views in a manner that contributes to achieving Committee objectives.
- 7.1.6 Preparing periodic reports on Committee activities, recommendations and outputs for the Board.
- 7.1.7 Following up implementation of Committee resolutions.
- 7.1.8 Representing the Committee before the General Assembly and Board. The Committee Chairman or their delegate from among its members shall attend General Assembly meetings to answer shareholders' questions.

7.2 Second: Duties and Obligations of a Committee Member

- 7.2.1 Complying with the Companies Law and its implementing regulations, related regulations and Company Bylaws when carrying out their duties, and refraining from any act that may harm the Company's interests.
- 7.2.2 Being aware of the Committee's tasks and responsibilities, dedicating sufficient time to fulfill their role in achieving its objectives.
- 7.2.3 Carrying out their duties free of any external influence whether from within or outside the Company, and they must not prioritize their personal interests over the Company's interests.
- 7.2.4 Not accepting gifts from any person with dealings with the Company pursuant to the controls stipulated in the Professional Conduct Policy.
- 7.2.5 Preparing for meetings, attending them and not being absent except for objective reasons the Committee Chairman is notified of in advance and accepted by the Committee.
- 7.2.6 Actively participating in Committee meetings by studying and discussing agenda items.
- 7.2.7 Working to enhance knowledge of regulatory developments in areas and topics related to the Committee's tasks and responsibilities.
- 7.2.8 Making suggestions regarding developing the Committee's work.

- 7.2.9 Reviewing, studying and discussing in Committee meetings reports submitted to the Committee.
- 7.2.10 Participating in recommending appropriate remuneration levels for executive management members.
- 7.2.11 Participating in recommending appointment of executive management members.
- 7.2.12 Participating in developing the succession and replacement plan in the Company.
- 7.2.13 Studying and analyzing information relevant to matters examined by the Committee before opining on them.
- 7.2.14 Recognizing his/her duties, roles and responsibilities arising from the membership.
- 7.2.15 Developing his/her knowledge in the field of the Company's business and activities and in the related financial, commercial and industrial fields.

7.3 Duties of the Committee Secretary

- 7.3.1 Coordinating the Committee meeting schedules annually and proposing agendas in coordination with the Committee Chairman.
- 7.3.2 Notifying the Committee members of meeting times and providing them with the agenda and documents required to study the meeting agenda items.
- 7.3.3 Attending and documenting the committee's meetings, preparing its minutes including the discussions and deliberations, stating the meeting venue, date, start and end time, documenting the committee's decisions and voting results and keeping them in a special register.
- 7.3.4 Maintaining documents, records and reports presented to or issued by the Committee, whether hard copies or electronically.
- 7.3.5 Performing all administrative tasks related to the Committee and any other tasks that may be assigned by the Committee from time to time.
- 7.3.6 Providing assistance and advice to the Committee in matters that fall under its competence.

Article (8) Confidentiality of Committee Work

The committee member shall maintain the confidentiality of the information available to him/her and the documents he/she has accessed, and shall not in any way, even after the end his/her membership, disclose it to any unauthorized person or entity unless authorized to do so by the Board of Directors, nor use any of this information for personal benefits or his/her relatives or others, and the company has the right to claim compensation in the event of a breach of what is stated in this Article, as it applies to the Secretary of the Committee.

Article (9) Conflict of Interests:

The member shall take care of the interests of the company and the public interests and give them priority over any personal interest, and avoid cases that lead to a conflict of interests, and shall abide by the provisions stipulated in the conflict of interest policy.

Article (10) Committee Meetings

10,1 First: Committee Meeting Procedures

- 10.1.1 The Committee shall meet at least four times during each fiscal year. In addition, additional meetings may be held from time to time upon request by the Board of Directors or any member.
- 10.1.2 The Committee shall approve the dates and agendas of meetings for the fiscal year before its start, and meeting invitations must be sent in writing or by email to each Committee member promptly upon the Committee Chairman's instructions to call the meeting, at least five (5) days prior to the meeting date, specifying in the invitation the time, date and venue of the meeting, agenda and documents to be discussed at the meeting.
- 10.1.3 The Committee shall hold its meetings at the Company's head office, and may meet outside the head office.

- 10.1.4 In the absence of the Chairman – and without a deputy appointed by him from among the members – the remaining attending members shall elect from among themselves a member to chair the meeting, from those qualified to hold this position pursuant to these Regulations.
- 10.1.5 The Committee may – when necessary in urgent cases as determined by the Committee Chairman – hold remote meetings and vote on them using modern technology.
- 10.1.6 In exceptional emergency cases requiring an urgent decision, the Committee Chairman may make the Committee recommendations and decisions by circulating them to the members for signature indicating all members have reviewed them, unless a member requests in writing that a meeting be held to deliberate on them. Such decisions shall only be valid if signed by a majority of members, provided the decision is documented in the minutes of the Committee’s first meeting held after issuing the decision.
- 10.1.7 No Board or executive management member other than the Committee Secretary may attend its meetings without an invitation from the Committee, to listen to their opinion or obtain their advice without voting rights or accessing confidential information except to the extent achieving the purpose of their attendance.

10,2 **Second: Quorum and Voting:**

- 10.2.1 The meeting shall only be validly held if attended by the majority of its members. The Committee resolutions shall be passed by the majority of the present members. In case of votes tie, the Chairman shall have the casting vote.
- 10.2.2 Members may not abstain from voting, and objecting members may record their objection and grounds in the meeting minutes.
- 10.2.3 No Committee member (attending in person) may represent more than one absent member at the same meeting.

10,3 **Third: Documentation of the Committee Meetings:**

The Committee Secretary shall prepare minutes documenting the Committee meetings, containing the following:

- 10.3.1 Meeting venue, date, start and end times.

- 10.3.2 Names of attending and absent members, including guests invited to attend the meeting from non-Committee members.
- 10.3.3 Deliberations and decisions of the Committee including voting results and grounds for objections if any.
- 10.3.4 Recommendations and decisions issued in the meeting, including their dates, texts and factual and regulatory reasoning – if any – with reference to the documents and records relied upon when issuing the recommendation or decision.
- 10.3.5 Determining the authority responsible for implementing the decisions taken, determining the time frame for their implementation, and the follow-up mechanism.
- 10.3.6 A scanned copy of the decision signed by the member shall be an acceptable model for this purpose.
- 10.3.7 The Secretary of the Committee shall send the draft minutes of the meeting to the members who shall present their feedback on it, if any, within a maximum period of five (5) working days.
- 10.3.8 A Committee member may object to any decision made by the Committee provided their objection is explicitly recorded in the meeting minutes along with grounds for objection. Absence from attending the meeting where the decision is issued shall not exempt the member from responsibility unless it is proven they were unaware of the decision or unable to object immediately upon learning of it.
- 10.3.9 After addressing members' comments on the draft minutes, and upon approval of the Chairman, the Secretary shall send the amended draft to the members. The minutes shall be official once signed by all members and the Committee Secretary.
- 10.3.10 The meeting minutes shall be maintained in a special register signed by the Committee Chairman and Secretary, attached with the meeting agenda and all accompanying documents.
- 10.3.11 The Committee shall follow up on implementing its resolutions and any other matters discussed in previous meetings.
- 10.3.12 The Committee Chairman shall elevate its recommendations and outcomes to the Board, in the first subsequent Board meeting after the Committee's meeting.

Article (11) Article Twelve: Committee Member Remuneration

- 11.1 Any remuneration granted to members shall be pursuant to the relevant regulations, bylaws, resolutions and instructions, and the Remuneration Policy for Board Members and Sub-Committees approved by the Company's General Assembly and any amendments thereto from time to time.
- 11.2 The report of the Board shall disclose remuneration, allowances or benefits received by Committee members.

Article (12) General Provisions

- 12.1 These Regulations are supplementary to the Company Bylaws, Governance Policy and the Board and Sub-Committee Work Regulations.
- 12.2 These Regulations shall supersede any conflicting procedures, decisions or company bylaws.
- 12.3 Anything not covered herein shall be subject to the applicable laws and regulations issued by the competent authorities.

Article (13) Effectiveness and Review

- 13.1 These Regulations shall be approved by General Assembly resolution based on a Board of Directors proposal, and shall be effective from the date of approval by the General Assembly.
- 13.2 The Committee shall periodically review provisions of these Regulations and make recommendations to the Board of Directors regarding any amendments.
- 13.3 Any amendments to these Regulations shall be approved in the same manner as their approval.